Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

LIMITED OFFICIAL USE

PAGE 01 PEKING 01557 110030Z

21
ACTION EA-14

INFO OCT-01 ISO-00 FEA-02 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-03 COME-00 DODE-00 EB-11 FPC-01 H-03 INR-11

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 FRB-03 PA-04 PRS-01

USIA-15 NIC-01 SAJ-01 NSCE-00 DRC-01 /170 W
---------- 095268
R 110015Z SEP 74
FM USLO PEKING
TO AMCONSUL HONG KONG
INFO SECSTATE WASHDC 2372

LIMITED OFFICIAL USE PEKING 1557

E.O. 11652: N/A
TAGS: BTRA, HK, US
SUBJECT: PRC TOUR BY HONG KONG BUSINESSMEN

REF: A) HONG KONG 9467; B) PEKING 1485

1. HONG KONG-BASED US BUSINESSMEN MINICH AND SEARLS LUNCHED WITH USLO DC HOLDRIDGE SEPTEMBER 7 AND MET TWICE WITH USLO COMMERCIAL/ECONOMIC OFFICERS SEPTEMBER 9. THE TWO WERE ANXIOUS TO REPORT TO US THE REMARKS OF CHINA COJNCIL FOR THE PROMOTION OF INTERNATIONAL TRADE (CCPIT) OFFICIALS WITH WHOM THE HONG KONG BUSINESSMEN'S DELEGATION (REF A) MET, INCLUDING CCPIT VICE PRESIDENT HSIAO FANG-CHOU, WHO HOSTED A BANQUET IN THEIR HONOR SEPTEMBER 7.

2. AS RELATED TO US, THE DELEGATIONS CONVERSATIONS WITH CCPIT BROKE LITTLE NEW GROUND. HSIAO DID ASSURE THE GROUP THAT CHINA'S FOREIGN TRADE WILL CONTINUE TO EXPAND, DESPITE THE PRC'S CONTINUED INTENTION TO ADHERE TO A POLICY OF "SELF-RELIANCE." HE ALSO MADE FAVORABLE REMARKS ABOUT "OUR HONG KONG FRIENDS" AND AT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PEKING 01557 110030Z

ONE POINT RESPONDED TO A MINICH REMARK BY EXPRESSING CCPIT'S

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

GOOD WILL TOWARD THE NATIONAL COUNCIL FOR US-CHINA TRADE.

3. ALTHOUGH WE DID NOT HEAR MANY DETAILS, WE FOUND THE TWO AMERICANS' COMMENTS ON PRC ENTERPRISES THEY HAD VISITED MOST INTERESTING. FOR EXAMPLE, IN SHANGHAI THE GROUP WAS TOLD THAT PORT EXPANSION PLANS NOW BEING IMPLEMENTED SHOULD BEGIN TO REDUCE CONGESTION THERE BY THE END OF NEXT YEAR. THEY ALSO LEARNED THAT FACILITIES ARE BEING CONSTRUCTED IN SHANGHAI FOR CONTAINER SHIPS EQUIPPED WITH THEIR OWN CRANES, BUT THAT LARGE CONTAINER SHIPS WOULD NEVER BE ABLE TO CALL AT SHANGHAI BECAUSE THE RIVER IS TOO SHALLOW TO ACCOMODATE DEEP DRAFT VESSELS. AT A SHANGHAI SHIPYARD, THE GROUP WAS TOLD THAT A 50,000 TON OIL TANKER IS NOW UNDER CONSTRUCTION IN DAIREN AND THAT NEGOTIATIONS ARE UNDERWAY WITH JAPANESE FIRMS FOR THE SUPPLY OF TWO 90,000 TON TANKERS TO THE PRC. MEANWHILE, IN TALKS WITH THE CHINA OCEAN SHIPPING COMPANY (COSCO), SEARLS WAS TOLD (AS WE UNDERSTAND IT) THAT COSCO'S TOTAL TONNAGE IS 4 MILLION TONS AND THAT THE TOTAL NUMBER OF FOREIGN FLAG VESSELS UNDER CHARTER TO THE CHINA NATIONAL CHARTERING CORPORATION IS 150.

4. MINICH, WHO HAS EXTENSIVE PAST EXPERIENCE IN OIL REFINERIES, FOUND THE NANKING REFINERY REASONABLY IMPRESSIVE. ALTHOUGH MOST OF THE EQUIPMENT WAS CHINESE MADE, THE TECHNOLOGY IN USE APPEARED TO BE OF WESTERN ORIGIN, PROBABLY FROM THE UNIVERSAL OIL PRODUCTS COMPANY, TO WHICH MINICH THOUGHT THE CHINESE MIGHT HAVE GAINED ACCESS THROUGH ROMANIA OR JAPAN. MINICH WAS PARTICULARLY IMPRESSED BY A COMPUTERIZED CONTROL ROOM FOR THE REFINERY'S DISTILLATION PLANT. HE ALSO LEARNED THAT THE "NANKING COLLEGE OF PETROLEUM INSTITUTE" PROVIDES IMPORTANT "BACK-UP SUPPORT" TO THE REFINERY.

5. COMMENTING ON HIS TALKS WITH COSCO ON BEHALF OF ESSO, HONG KONG, SEARLS INDICATED THAT HIS FIRM HAS A BUNKERING CONTRACT THAT THIS YEAR AMOUNTS TO ABOUT DOLS 4 MILLION FOR THE SUPPLY OF FUELS AND LUBRICANTS TO PRC SHIPS AROUND THE WORLD. COSCO SEEMS SATISFIED WITH THE ARRANGEMENT, AND SEARLS EXPECTS TO RETURN TO PEKING IN DECEMBER TO WORK OUT AN AGREEMENT FOR SIMILAR SERVICES IN 1975.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

6. BOTH MINICH AND SEARLS TOOK COPIOUS NOTES ON THEIR TRIP. WE SUGGEST CONGEN ARRANGE AN EARLY DEBRIEFING TO PURSUE ABOVE INFORMATION (AND OTHER COMMENTS WE DID NOT GET) IN DETAIL.
BRUCE

LIMITED OFFICIAL USE

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

NNN

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 11 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: kelleyw0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974PEKING01557
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740252-0570
From: PEKING
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740956/aaaabuzd.tel
Line Count: 111
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A) HONG KONG 9467; B) PEKING 1485
Review Action: RELEASED, APPROVED
Review Authority: kelleyw0
Review Comment: n/a
Review Content Flags:
Review Date: 17 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 JUL 2002 by martinml>; APPROVED <12 MAR 2003 by kelleyw0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRC TOUR BY HONG KONG BUSINESSMEN
TAGS: BTRA, HK, US
To: HONG KONG
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005